

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Tony Hammond, Vice Chairman;
Mark Acton;
Ruth Y. Goldway; and
Nanci E. Langley

Competitive Product Prices
International Merchandise Return Service Agreements
With Foreign Postal Operators
Non-Published Rates

Docket No. MC2015-68

Competitive Product Prices
International Merchandise Return Service Agreements
With Foreign Postal Operators
Non-Published Rates (MC2015-68)

Docket No. CP2015-99

NOTICE AND ORDER CONCERNING THE ADDITION OF
COMPETITIVE INTERNATIONAL MERCHANDISE RETURN SERVICE
AGREEMENTS WITH FOREIGN POSTAL OPERATORS (IMRS-FPO)
TO THE COMPETITIVE PRODUCT LIST

(Issued July 14, 2015)

I. INTRODUCTION

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the United States Postal Service (Postal Service) filed a formal request and associated supporting information to add Competitive International Merchandise Return Service Agreements

with Foreign Postal Operators (IMRS-FPO) to the competitive products list.¹ If the proposed product is approved by the Commission, the Postal Service intends to file each new IMRS-FPO agreement in this docket on or before its effective date, pursuant to 39 U.S.C. 407(d). Request at 5 n.8.

To support its Request, the Postal Service filed an application for non-public treatment of materials filed under seal; a redacted copy of Governors' Decision No. 11-6, which authorizes the product; a set of maximum and minimum prices; a statement of supporting justification, as required by 39 CFR 3020.32; a copy of proposed mail classification schedule language; a copy of the IMRS-FPO model agreement; a certification of compliance with 39 U.S.C. 3633(a); a redacted copy of a related management analysis; and supporting financial workpapers.

In the attached statement of supporting justification, the Postal Service asserts the IMRS-FPO would close a gap in currently available postal product offerings and that the proposed product would generate new revenue and encourage growth in cross-border e-commerce via the postal channel. *Id.*, Attachment 3 at 4. The Postal Service further contends that IMRS-FPO belongs on the competitive products list because it will not be subsidized by market dominant products, covers costs attributable to it, does not cause competitive products as a whole to fail to make the appropriate contribution to institutional costs, is part of a market over which the Postal Service does not exercise market dominance, and is not covered by the postal monopoly. Request at 2-4.

II. NOTICE OF COMMISSION ACTION

The Commission establishes Docket Nos. MC2015-68 and CP2015-99 to consider the Request pertaining to the addition of IMRS-FPO to the competitive products list.

¹ Request of the United States Postal Service to Add Competitive International Merchandise Return Service Agreements with Foreign Postal Operator (IMRS-FPO) Product to the Competitive Products List and Notice of Filing IMRS-FPO Model Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, July 10, 2015 (Request).

The Commission invites comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR part 3015, and 39 CFR part 3020, subpart B. Comments are due no later than July 21, 2015. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints James F. Callow to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket Nos. MC2015-68 and CP2015-99 to consider the matters raised in each docket.
2. Pursuant to 39 U.S.C. 505, James F. Callow is appointed to serve as Public Representative in these dockets.
3. Comments are due no later than July 21, 2015.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary